TSINGTAO BREWERY COMPANY LIMITED

(a Sino-foreign joint stock limited company established in the People's Republic of China)

(Stock Code: 168)

2021 Third Quarterly Report

This announcement is made pursuant to the disclosure requirements of Rules 13.09(2) and 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("**Listing Rules**"), and the provisions of inside information (as defined in the Listing Rules) under Section XIVA of the Securities and Futures Ordinance (Chapter 571 of the Law of Hong Kong).

The 2021 third quarterly report (unaudited, the "**Quarterly Report**") contained in this announcement has been prepared in accordance with the China Accounting Standards of Business Enterprises and the requirements on preparation and disclosure of quarterly report issued by the Shanghai Stock Exchange, and has been approved by the Board of Directors (the "**Board**") of Tsingtao Brewery Company Limited (the "**Company**").

I. IMPORTANT NOTICE

1.1 The Board, the Board of Supervisors, directors, supervisors and senior management officers of the Company guarantee the authenticity, accuracy and completeness of the contents contained in this Quarterly Report without any false representation, misleading statement or material omissions, and they undertake both individual and joint legal liabilities.

1.2 The Quarterly Report was considered and approved at the third meeting of the tenth session of the Board (the "**Meeting**") through written proposals. 8 out of the total 8 directors attended the meeting and voted.

1.3 Unless otherwise stated in this report, monetary units are denominated in Renminbi.

1.4 HUANG Ke Xing, the legal representative of the Company, YU Zhu Ming, the person in charge of the accounting work, and HOU Qiu Yan, the person in charge of the accounting department (accounting director) guarantee that the financial statements contained in this Quarterly Report are authentic, accurate and complete.

1.5 The Quarterly Report of the Company has been reviewed by Audit and Internal Control Committee of the Board, but has not been audited.

II. MAJOR FINANCIAL DATA

Main accounting data and financial indicators

Unit: Yuan Currency: RMB

Item	The reporting period	Increase/ Decrease from the corresponding period of prior year *(%)*	From the beginning of the year to the end of the reporting period	Increase/ Decrease from the corresponding period of prior year *(%)*
Revenue	8,480,230,687	-3.01	26,771,391,438	9.62
Net profit attributable to shareholders of the Company	1,195,276,604	6.43	3,610,797,933	21.25
Net profit attributable to shareholders of the Company after deducting non-recurring profit or loss	1,057,467,924	0.25	3,215,504,206	20.09
Net cash flows from operating activities	Not applicable	Not applicable	6,163,656,772	4.22
Basic earnings per share *(Yuan per share)*	0.885	6.50	2.665	20.92
Diluted earnings per share *(Yuan per share)*	0.881	6.14	2.660	20.74
Weighted average return on net asset *(%)*	5.24	Decrease by 0.19 percentage point	16.29	Increased by 1.60 percentage point

	As at the end of the reporting period	As at the end of prior year	Increase/ Decrease at the end of the reporting period compared to the end of prior year *(%)*
Total assets	45,328,578,511	41,514,185,835	9.19
Net assets attributable to shareholders of the Companies	23,406,401,275	20,621,960,515	13.50

Note: "The reporting period" refers to the three-month period from the beginning to the end of the quarter. The same applies hereinafter.

The Company took full advantage of its sales network that covers major domestic markets, proactively expended domestic and foreign markets and quickly enhanced the effect of production-sales collaboration through digital transformation. Facing the severe challenge of the pandemic hitting domestic and foreign markets and the pressure from rising costs, the Company cultivated more sources of income, reduced costs and increased efficiency. At the same time, the Company continued to give full play to the brand and quality advantages of Tsingtao Beer and accelerate brand optimization and the upgrading of product mix. During the first three quarters of 2021, the Company's total product sales volume reached 7.082 million kl, a year-on-year increase of 2.02%. The total sales volume of its core brand, Tsingtao Beer, reached 3.784 million kl, a year-on-year increase of 13.05%. This generated operating revenue of RMB26.77 billion, a year-on-year increase of 9.62%. The operating revenue per kl beer increased 7.45% year-on-year. Net profits attributable to the shareholders of the listed company reached RMB3.61 billion, a year-on-year increase of 21.25% and an increase of 39.64% from the corresponding period of 2019. Overall, the Company achieved continuously stable growth in business performance.

Item and amounts of non-recurring profit or loss

Unit: Yuan Currency: RMB

Item	Amount of the reporting period	Amount from the beginning of the year to the end of the reporting period	Explanation
Gains/Losses on disposal of non-current assets (including the write-off part for which asset impairment provision has been calculated)	-115,367,902	-104,713,747	Mainly due to the loss from disposal of fixed assets by some subsidiaries
Government grants recognized in profits/losses of the current period (excluding those closely related to the usual operations of the Company, in compliance with the State policies, and continuously received in set amount or quantities by certain standards)	223,772,134	445,239,099	Mainly due to the government grants relating to routine business activities received by some subsidiaries
Other than the effective hedging business related to the Company's normal business, the profits/losses from changes in fair value generated from the holding of trading financial assets and trading financial liabilities, as well as the investment income from the disposal of trading financial assets, trading financial liabilities and available-for-sale financial assets	60,508,579	157,480,269	Mainly due to the income from structured deposits
Other non-operating income and expenses other than aforesaid items	12,655,422	22,054,312	
Less: Impact of income tax expense	40,598,035	114,534,061	
Impact on the non-controlling interests (net of tax)	3,161,518	10,232,145	
Total	137,808,680	395,293,727	

Provide an explanation if the Company classifies any non-recurring profits/losses item mentioned in the Explanatory Announcement No. 1 on Information Disclosure for Companies Offering Their Securities to the Public — Non-Recurring Profits/losses as a recurring profits/losses item

☐ Applicable ✓ Not applicable

Circumstances where there are changes to main accounting data and financial indicators and the reasons

☐ Applicable ✓ Not applicable

Compared with the end of prior year or the corresponding period of prior year, changes in the Company's key accounting data and financial indicator are within 30%. Changes in other key financial indicators are as follows:

Unit: '000 Yuan Currency: RMB

Item	As at the end of the reporting period	As at the end of prior year	Increase/ Decrease *(%)*	Major causes
Cash at bank and on hand	9,471,202	18,466,881	-48.71	It was caused mainly by the increase in debt instruments such as structured deposits and interbank negotiable certificates of deposits
Financial assets held for trading	9,516,505	1,888,863	403.82	It was caused mainly by the increase in debt instruments such as structured deposits
Inventories	1,853,086	3,281,034	-43.52	It was caused mainly by the decrease in some subsidiaries' finished goods and raw materials in the peak sales season
Other current assets	6,734,911	552,410	1,119.19	It was caused mainly by the increase in interbank negotiable certificates of deposits
Other non-current assets	134,391	57,673	133.02	It was caused mainly by some subsidiaries' prepayments for construction and equipment
Short term borrowing	1,250,445	703,273	77.80	It was caused mainly by interbank borrowings of Tsingtao Brewery Finance LLC, a wholly-owned subsidiary of the Company
Accounts payable	2,952,422	2,222,601	32.84	It was caused mainly by purchase of materials
Taxes payable	1,014,930	548,027	85.20	It was caused mainly by the increase in income tax as at the end of the reporting period
Other current liabilities	81,478	296,066	-72.48	It was caused mainly by the decrease in some subsidiaries' output VAT to be recognized at the end of the reporting period
Long-term payables	261,195	462,046	-43.47	It was caused mainly by the transfer of government compensation for relocation into deferred income as the progress of relocation projects by some subsidiaries

Item	From the beginning of the year to the end of the reporting period	Corresponding period of prior year	Increase/ Decrease *(%)*	Major causes
Finance expenses	-194,021	-363,137	Not applicable	It was caused mainly by debt instruments such as structured deposits and interbank negotiable certificates of deposits, of which the incomes are recognized into profits arising from changes in fair value and investment income
Investment income	130,417	30,169	332.28	It was caused mainly by interbank negotiable certificates of deposits, of which the income is recognized into investment income
Profits arising from changes in the fair value	203,785	41,824	387.24	It was caused mainly by the profits arising from changes in fair value generated from debt instruments such as structured deposits
Gains on disposals of assets (Losses are listed with "-")	-104,714	-8,498	Not applicable	It was caused mainly by the increase in the losses from disposal of fixed assets by some subsidiaries as compared with the corresponding period of prior year
Non-operating income	27,675	11,756	135.40	It was caused mainly by the increase in the income not related to routine operations as recognized by some subsidiaries as compared with the corresponding period of prior year
Non-operating expenses	5,621	24,125	-76.70	It was mainly because the Company proactively fulfilled its social responsibility by making donations externally for fighting against COVID-19 in the corresponding period of prior year
Net cash flows from investing activities	-16,612,845	-940,746	Not applicable	It was caused mainly by the increase in cash outflows from investing activities due to debt instruments such as structured deposits and interbank negotiable certificates of deposits

III. SHAREHOLDER INFORMATION

Total number of shareholders of ordinary shares, number of shareholders of preferred shares with voting right restored and shareholding of top ten shareholders

Unit: Share

Total number of shareholders of ordinary shares as at the end of the reporting period	63,977 shareholders including 63,726 holders of A-share and 251 holders of H-share.	Number of shareholders of preferred shares with voting right restored as at the end of the reporting period (if any)	Not applicable

Particulars of top ten shareholders

Name of shareholder	Nature of shareholder	Number of shares held	Percentage of shares held *(%)*	Number of shares subject to sales restriction held	Pledged, marked or frozen shares	
					Status	Number
HKSCC Nominees Limited	Overseas legal person	613,909,619	44.99	0	Unknown	
Tsingtao Brewery Group Company Limited	State-owned legal person	443,467,655	32.50	0	Nil	0
Hong Kong Securities Clearing Company Limited	Overseas legal person	18,817,664	1.38	0	Nil	0
China Securities Finance Corporation Company	State-owned legal person	18,398,453	1.35	0	Nil	0
Industrial and Commercial Bank of China Limited — Fullgoal Tianhui Select Hybrid Growth Securities Investment Fund (LOF)	Other	8,000,000	0.59	0	Nil	0
Industrial and Commercial Bank of China Limited — Oriental Red Qiheng Three-year Hybrid Securities Investment Fund	Other	7,639,403	0.56	0	Nil	0
China Life Insurance Company Limited-Traditional-General Insurance Products-005L-CT001 Shanghai	Other	6,776,614	0.50	0	Nil	0
Industrial Bank Co., Ltd. — ICBCCS Culture & Sports Industry Equity Securities Investment Fund	Other	6,064,299	0.44	0	Nil	0
Agricultural Bank of China Co., Ltd.-E Fund Consumer Industry Equity Securities Investment Fund	Other	5,375,127	0.39	0	Nil	0
Bank of China — Huaxia Huibao Securities Investment Fund	Other	4,495,570	0.33	0	Nil	0

Particulars of top ten holders of shares not subject to sales restriction

Name of shareholder	Number of listed shares not subject to sales restriction held	Class and number of shares	
		Class	Number
HKSCC Nominees Limited	613,909,619	Overseas listed foreign shares	613,909,619
Tsingtao Brewery Group Company Limited	443,467,655	RMB-denominated ordinary shares	405,132,055
		Overseas listed foreign shares	38,335,600
Hong Kong Securities Clearing Company Limited	18,817,664	RMB-denominated ordinary shares	18,817,664
China Securities Finance Corporation Company	18,398,453	RMB-denominated ordinary shares	18,398,453
Industrial and Commercial Bank of China Limited — Fullgoal Tianhui Select Hybrid Growth Securities Investment Fund (LOF)	8,000,000	RMB-denominated ordinary shares	8,000,000
Industrial and Commercial Bank of China Limited — Oriental Red Qiheng Three-year Hybrid Securities Investment Fund	7,639,403	RMB-denominated ordinary shares	7,639,403
China Life Insurance Company Limited-Traditional-General Insurance Products-005L-CT001 Shanghai	6,776,614	RMB-denominated ordinary shares	6,776,614
Industrial Bank Co., Ltd. — ICBCCS Culture & Sports Industry Equity Securities Investment Fund	6,064,299	RMB-denominated ordinary shares	6,064,299
Agricultural Bank of China Co., Ltd.-E Fund Consumer Industry Equity Securities Investment Fund	5,375,127	RMB-denominated ordinary shares	5,375,127
Bank of China — Huaxia Huibao Securities Investment Fund	4,495,570	RMB-denominated ordinary shares	4,495,570

Explanation of associations or actions in concert among the above shareholders	1. The total number of shares held by Tsingtao Brewery Group Company Limited (“**Tsingtao Group**”) includes 38,335,600 shares of H-share held in the Company by itself and through Hong Kong Xinhaisheng Investment Limited (“**Xinhaisheng**”), a wholly-owned subsidiary, and 405,132,055 shares of A-share held in the Company by itself. 2. Both HKSCC Nominees Limited and Hong Kong Securities Clearing Company Limited are wholly-owned subsidiaries of Hong Kong Exchanges and Clearing Limited. The H-shares are held by HKSCC Nominees Limited on behalf of different clients, excluding the H-shares held by Tsingtao Group and Xinhaisheng, while A-shares are held by Hong Kong Securities Clearing Company Limited on behalf of different clients as well. 3. As at the end of the reporting period, four entities under Fosun International Limited held 106,983,919 H-shares of the Company in total, accounting for about 7.84% of the Company’s total share capital. The shares were held by HKSCC Nominees Limited on behalf of the four entities of Fosun International Limited. Save as disclosed above, the Company is unaware of whether there are any connected relationships among these top ten shareholders or if they are of the parties these shareholders are acting in concert.
Participation of top ten shareholders and top ten shareholders without restricted sale conditions in securities margin trading and refinancing (if any)	During the reporting period, Tsingtao Group did not involve in securities margin trading and refinancing. In addition, the Company is not aware of the participation of top ten shareholders and top ten shareholders without restricted sale conditions in securities margin trading and refinancing.

IV. Miscellaneous Matters

Other important information regarding the Company's business performance during the reporting period that needs to be brought to the attention of investors

☐ Applicable ✓ Not applicable

Please refer to the website of Shanghai Stock Exchange (http://www.sse.com.cn) and the website of the Company (http://stock.tsingtao.com.cn) for the unaudited balance sheets, income statements and cash flow statements of the Company as at 30 September 2021.

By Order of the Board
Tsingtao Brewery Company Limited
ZHANG Rui Xiang
Company Secretary

Qingdao, the People's Republic of China
28 October 2021

The Company's Directors as at the date of this announcement are:

Executive Directors:	*Mr. HUANG Ke Xing (Chairman), Mr. YU Zhu Ming and Mr. WANG Rui Yong*
Non-executive Director:	*Mr. SHI Kun*
Independent Non-executive Directors:	*Mr. XIAO Geng, Mr. SHENG Lei Ming, Mr. JIANG Xing Lu and Ms. Rania ZHANG*